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Response matrix for Board comments received on the draft document “Steps to enhance the climate rationale of GCF-supported activities”

Summary

This document contains the response matrix for Board comments received on the draft document titled “Steps to enhance the climate rationale of GCF-supported activities” during the Board consultation period held prior to the thirtieth meeting of the Board.

1. This document contains the response matrix for Board comments received on the draft document titled “Steps to enhance the climate rationale of GCF-supported activities” during the Board consultation period held prior to the thirtieth meeting of the Board. Comments were submitted by Board members representing the following constituencies:

- (1) The Netherlands, Luxembourg, and Denmark;
- (2) New Zealand, Ireland, and Spain;
- (3) United Kingdom;
- (4) Philippines;
- (5) Republic of Korea;
- (6) United States;
- (7) The African Group;
- (8) Germany;
- (9) Italy;
- (10) Japan; and
- (11) Least Developed Countries.

Country	Section	Text	Board comment	Category	Secretariat Response
NL/LU/DK	General	N/A	It would be beneficial if the climate rationale assessments within the GCF were aligned with existing standards and best practices. One concrete example would be the EU Taxonomy for Sustainable Finance, which lays down detailed science-based criteria for mitigation and adaptation. These EU-criteria are universally relevant.	Detail of methodologies: benchmarks	They will be so aligned, and the plural is noted. The principles-based approach proposed in the paper establishes an inclusive approach, where different science-based standards/ methodologies could be used by AEs to establish the climate impact potential of GCF funding proposals, making use of best data and most suitable analyses in a country- and context specific approach. The paper currently does not contain a comparative analysis of the guidance from other funds and agencies, but the Secretariat would be happy to add such information in any further development of the draft.
NL/LU/DK	General	N/A	From a procedural point of view, we would suggest that each step is carefully worded to ensure that the advice is clear and implementable, so that the 4 and 5 step approach are more in line with each other.	Detail of methodologies	In response to other comments the document no longer refers to steps. It was felt this implied more prescription than is intended. The paper now sets out important components of all proposals and indicates that this higher level of detail will be provided by the ongoing development of an online library of supporting materials. The latter is by nature an evolving set of resources (e.g. IPCC assessments update on a fairly frequent basis). The Secretariat views these resources as best presented as an online resource but will be guided by the Board

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NL/LU/DK	General	N/A	It would also be useful to develop an annex that gives specific references to/examples of the data bases, methodologies, guidelines, etc. that might be deployed by the project developers/AEs in firming up climate rationale.	Detail of methodologies: benchmarks	The Secretariat envisages that further reference materials such as examples of data bases, methodologies, guidelines etc. would be compiled in an accessible format (e.g. on the GCF website) for stakeholders' reference. The degree to which many of the supporting materials – which are constantly evolving, and many are not in document form – could or should be added, possibly as annexes, is open to discussion. What is clear, we hope, is that the preparation of these materials is the catalyst for a constructive dialogue with the independent TAP to promote consistent review.
NZ/Ireland/Spain	General	N/A	Reaching agreement on this critical piece of policy work will be an important step in advancing the quality of adaptation proposals and in turn see more adaptation proposals approved by the Board. We welcome the guidance and clear articulation of steps to take in developing the climate rationale for funding proposals.	General	Noted
NZ/Ireland/Spain	General	N/A	Our overarching concern is that many countries remain data poor and it will be difficult to achieve a gold standard in the provision of climate data especially at the local level. How can / will this will be taken into account when assessing funding proposals to ensure countries that are data poor are not unduly penalized while maximizing benefits and avoiding maladaptation?	Data requirements	Clarifications to the text have been proposed to : (i) explicitly recognize the variability in data availability across different countries (ii) be clearer that the appropriate standard should be best available data, which may come from a variety of sources, and be adapted to data availability, context and capacities for a specific country or region. The intent is that countries which are data poor should not have FPs held up for lacking specific data sources (e.g. local data). Consultations have established that this issue has to be resolved explicitly in a future draft of the paper.

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US	General	N/A	The United States is strongly supportive of efforts to enhance the climate rationale of GCF-supported activities. As the world's leading multilateral climate fund, it is essential that the GCF be able to demonstrate how the activities it supports contribute directly to achieving the goals of the Paris Agreement. It is also essential that the GCF provides clear guidance to partners on demonstrating climate rationale. Clear guidance is necessary for AE's to prepare impactful funding proposals, and, to facilitate consistent review by the GCF Secretariat and iTAP. Recognizing that demonstrating climate rationale is a particular challenge for adaptation projects, we believe that clear guidance will directly enhance access to GCF funding for adaptation, supporting the Fund in fulfilling its mandate.	General	Noted
US	General	N/A	We support the proposal of the GCF Secretariat to take a "principles-based" approach to climate rationale, given the varying capacities of AE's, particularly DAE's, and differences in national circumstances. We also support the use of science-based approaches, utilizing climate and socio-economic data to the greatest extent possible, recognizing the significant variation in data availability across contexts. Rather than prescribing particular methods or datasets, the flexibility of a principles-based approach is critical to improve access to GCF financing, rather than restrict it, particularly for adaptation projects.	General	Noted

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US	General	N/A	We find that the two main body sections of the text – the recommended steps to develop proposals for mitigation and adaptation– do not provide sufficiently clear guidance for AEs, nor assure that the climate impact of GCF activities would be enhanced. This is for two primary reasons: 1. First, we feel that the “steps” provided are more prescriptive than “principles”. 2. Second, we are specifically concerned about “step 2” for establishing climate rationale in adaptation projects, regarding the use of a detailed scientific analysis. We note that this step does not provide clarity on what would constitute an acceptable use of data to establish climate rationale, potentially placing an undue burden on project preparers, particularly where data availability is limited.	Detail of methodologies Data requirements	The consultation process elicited much support for a principles-based, non-prescriptive approach. This is the approach taken by several other climate funds, and is also aligned with assessment approaches in the adaptation literature. The paper as currently drafted is aiming to capture the high-level principles and it also anticipates a framework of tools, methodologies and data platforms to offer more detailed guidance. These we propose to develop in cooperation with the independent TAP and in wide consultation with stakeholders. As the modified text now makes clear, and particularly the draft decision, the proposal is that this level of detail will be provided by the ongoing development of the online library of supporting materials.
US	General	N/A	Building on the Secretariat's proposal, we suggest that future iterations of this guidance provide 3-5 clear, flexible principles for all GCF funding proposals which could be applied by AE's. These principles might include: 1. Identification – Clearly identify the climate-related problem which a funding proposal is intended to resolve 2. Response – Demonstrate how the proposed interventions will directly address the climate-related problem identified, including the expected results of the intervention. Justify why the proposed financial instruments to support this intervention are appropriate 3. Ambition – Identify alternative interventions which may have addressed the same climate-	com	This is indeed the objective of the proposed approach, and see the previous comment

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			<p>related problem and explain why the proposed intervention was selected 4. Alignment – Explain how the proposed interventions are aligned with broader country strategies and priorities, including NDCs or National Adaptation Plans. 5. Assessment – Establish a clear monitoring, reporting, and verification system, in line with the GCF’s Integrated Results Management Framework, to demonstrate how the goals of the funding proposal will be monitored and assessed</p>		

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AGN	General	N/A	<p>From the outset, the AGN is concerned about the wide-ranging interpretations of the Board's mandate concerning climate rationale. The Board has not agreed to nor has it mandated any project selection and eligibility criteria regarding the climate rationale. The initial investment framework only contains project selection and eligibility criteria concerning climate impact. In this regard, our first recommendation is to instead refer to climate impacts for mitigation and adaptation (per the Investment Framework and IRMF) than to continue to use the loaded term "climate rationale."</p>	Terminology	<p>Clarifications to the text have been proposed to make clearer that the relevant project selection and eligibility criteria derive from the Initial Investment Framework criterion on "climate impact potential". The terminology "steps to enhance climate rationale" is retained with reference to the B.19 Board mandate, but is categorically NOT intended to establish any new eligibility criteria. The intention is that the proposed guidance should be interpreted as helping stakeholders describe or establish climate impact potential, by providing the strongest possible overarching narrative that shows how a proposal addresses current or projected climate impacts. Regarding the "loaded term" of "climate rationale", consultations indicate that future dialogue would proceed more constructively if the terminology was replaced with (for example) "climate context" which is understood to be how the proposed activities relate to and seek to address current and projected climate impacts. This is now merely a reminder of the GCF governing instrument and is no longer open to misinterpretation</p>
AGN	General	N/A	<p>While the paper responds to the mandate given by the Board, we remain concerned that the issue of the ITAP paper is not addressed. Therefore, our second recommendation is to clarify the status of that paper. In our view, the ITAP paper does not enhance climate rationale but instead establishes new and additional eligibility criteria. In our opinion, this is the most critical issue to be addressed, and the current paper only focuses on</p>	Other matters: ITAP, assessment criteria	<p>The Secretariat notes that matters related to ITAP assessment criteria are beyond the immediate scope of this paper and defers these for Board consideration. However, the paper proposes to develop the supporting framework of tools, methodologies and data platforms in cooperation with the independent TAP thus catalysing and building consensus and providing a concrete response to decision B.28/03 to "develop a transparent and consistent approach to our assessment of funding proposals".</p>

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			enhancing the inputs but does not address the assessment criteria.		
AGN	General	N/A	Our third recommendation is to determine the climate impact of a project using agreed methodologies and criteria. Therefore the Board must seek the endorsement of any guidance following broader consultation on the scientific basis needed to establish climate rationale. Even if such advice is issued, we need to ensure this is based on and aligned with UNFCCC/IPCC guidance and an acceptable level of 'proof' for making a case for climate change. Climate data alone cannot establish a country's vulnerability, region, or location because vulnerability is a function of exposure to climate impacts (climate data) and other local factors. This is why similar geographical areas can have different degrees of vulnerability. And this is why local factors and National circumstances are vital in determining vulnerability and developing adaptation projects	Detail of methodologies: benchmarks	The consultation process elicited much support for a principles-based, non-prescriptive approach. This is the approach taken by several other climate funds, and is also aligned with assessment approaches in the adaptation literature. The paper as currently drafted is aiming to capture the high-level principles and it also anticipates a framework of tools, methodologies and data platforms to offer more detailed guidance. These we propose to develop in cooperation with the independent TAP and in wide consultation with stakeholders. As the modified text now makes clear, and particularly the draft decision, the proposal is that this level of detail will be provided by the ongoing development of the online library of supporting materials.
AGN	General	N/A	Our fourth recommendation is about the procedure and the urgent need for the Board to consider the relevant elements of the IEU's adaptation evaluation, which found three critical reasons for project delays, two of these were due to data availability and climate rationale considerations	Other matters: IEU adaptation evaluation	The Secretariat notes that the process for Board consideration of the IEU adaptation evaluation is beyond the scope of this paper and defers this for Board consideration

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AGN	General	N/A	Our fifth recommendation is to hear from the Secretariat regarding their views on the differences between their FP reviews and those of the ITAP	Other matters: ITAP, assessment criteria	The Secretariat notes that matters related to previous inconsistency between Secretariat and ITAP assessments are beyond the immediate scope of this paper but are a strong motivator for the clear and consistent guidance that is being proposed. As the paper notes, the proposed measures will provide the much-needed Fund-level guidance that will increase the consistency of review by the Secretariat and iTAP. The Secretariat would be happy to have a separate session with the Board and ITAP on this matter if desired.
AGN	General	N/A	Our final recommendation is that the goal of the capacity-building program to enhance the impact of GCF funding is to build the readiness of developing countries to translate their NDCs, adaptation communications, and other planning documents and strategies according to paragraph 40 of the Governing Instrument, into enhanced adaptation programmes and projects to be funded by the GCF. The AGN has already called for a GCF-wide adaptation strategy, and we think this strategy is the most suitable location for the capacity-building programme for enhancing climate impact.	Other matters: adaptation strategy	The Secretariat notes that consideration of a wider adaptation strategy is beyond the immediate scope of this paper and defers this for Board consideration (although the aims of this paper and the approach proposed would most certainly benefit any adaptation strategy).
Germany	General	N/A	We thank the Secretariat and the iTAP for the collaboration to produce this central document. As the GCF is a climate fund, it is key for the GCF that all its projects are clear climate projects and hence are supported by a strong climate rationale. We appreciate the draft presented with a strong focus on the one hand providing a clear guidance how to develop climate	General	Noted

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			rationale for mitigation and adaptation projects while at the same time providing a capacity building and support component in order to allow all agencies to implement these for all circumstances.		
Germany	General	N/A	We recognize that for certain countries and circumstances the availability of climate science is still lacking and that for certain cases exceptions need to be made. In this regard we appreciate that the draft intends to provide some sort of flexibility especially for those countries with large data gaps in terms of historical meteorological data, in particular in LDCs, SIDS and African countries.	Data availability	Clarifications to the text have been proposed to : (i) explicitly recognize the variability in data availability across different countries (ii) be clearer that the appropriate standard should be best available data, on a case-by-case basis, which may come from a variety of sources, and be adapted to data availability, context and capacities for a specific country or region. The intent is that countries which are data poor should not have FPs held up for lacking specific data sources (e.g. local data). Consultations have established that this issue has to be resolved explicitly in a future draft of the paper. The aim of the paper is to remove barriers to accessing GCF funding, especially for LDCs, SIDS and African countries.
Germany	General	N/A	We are confident that iTAP's independent work and its complementarity with GCF's assessments in the end benefits all people involved. We encourage continuous dialogue between the parties so the concerns of each are listened to, and projects of excellent quality are submitted to the board.	ITAP	Noted. A key element of the paper, and the decision text, is to mandate the development of the supporting framework of tools, methodologies and data platforms in cooperation with the independent TAP, thus catalysing and building consensus, as well as providing a concrete response to decision B.28/03 to "develop a transparent and consistent approach to our assessment of funding proposals".

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Germany	General	N/A	We would ask that iTAP is consulted on this draft in order to ensure sufficient technical input in this regard.	ITAP	The Secretariat confirms that ITAP was consulted informally on the initial draft. A summary of comments received from ITAP has been included in the "Consultations" section of the policy brief. All comments from iTAP will be addressed in full as the proposed guidance is further developed since the measures proposed assume their full cooperation.
Germany	General	N/A	[We would ask] that the Secretariat could add information on climate rationale definitions and requirements by other funds and MDBs.	Detail of methodologies: benchmarks	The published paper currently does not contain a comparative analysis of the guidance from other funds and agencies, but the Secretariat would be happy to add such information in any further development of the draft. The consultation process elicited much support for a principles-based, non-prescriptive approach. This is the approach taken by several other climate funds, and is also aligned with assessment approaches in the adaptation literature. The terminology "climate rationale" is not used explicitly elsewhere; however, as noted above, the terminology has become somewhat "loaded", and consultations indicate that future dialogue would proceed more constructively if the terminology was replaced with (for example) "climate context" which is understood to be how the proposed activities relate to and seek to address current and projected climate impacts. This is now merely a reminder of the GCF governing instrument and is no longer open to misinterpretation

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Germany	General	N/A	We seek clarification whether [having] a principle rather than rule based approach can be the right way, how other climate institutions have solved this and what would ensure that all projects clearly are climate projects based on the argued climate rationale	Detail of methodologies; benchmarks	The consultation process elicited much support for a principles-based, non-prescriptive approach. This is the approach taken by several other climate funds, and is also aligned with assessment approaches in the adaptation literature. The paper as currently drafted is aiming to capture the high-level principles and it also anticipates a framework of tools, methodologies and data platforms to offer more detailed guidance. These we propose to develop in cooperation with the independent TAP and in wide consultation with stakeholders. As the modified text now makes clear, and particularly the draft decision, the proposal is that this level of detail will be provided by the ongoing development of the online library of supporting materials.
Germany	General	N/A	Regarding the collaboration between the GCF and WMO, following the MoU from 2018, what are the Secretariat's plans when it refers to the "development of the climate science" necessary for the climate rationale? When will such activities and budgetary implications be shared with Board members?	WMO collaboration; climate science	The Secretariat is happy to elaborate on its collaboration with the WMO. The climate information platform developed under that collaboration is one of several useful tools for extracting and presenting climate model data. It will form part of the proposed resources to support proposals but - whilst useful - will have no unique place in a non-prescriptive approach.

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LDCs	General	N/A	We want to recall that “climate impact” is the formal investment criteria to be used in the development, assessment, and approval of projects. Hence, any guidance on enhancing the climate rationale of GCF-supported activities should not be used or understood as an eligibility criterion. The notion of climate rationale and any associated guidance might be then used by stakeholders as an input to describe or establish climate impact potential.	Terminology	Clarifications to the text have been proposed to make clearer that the relevant project selection and eligibility criteria derive from the Initial Investment Framework criterion on "climate impact potential". The terminology "steps to enhance climate rationale" is retained with reference to the B.19 Board mandate, but is categorically NOT intended to establish any new eligibility criteria. The intention is that the proposed guidance should be interpreted as helping stakeholders describe or establish climate impact potential, by providing the strongest possible overarching narrative that shows how a proposal addresses current or projected climate impacts. Regarding the "loaded term" of "climate rationale", consultations indicate that future dialogue would proceed more constructively if the terminology was replaced with (for example) "climate context" which is understood to be how the proposed activities relate to and seek to address current and projected climate impacts. This is now merely a reminder of the GCF governing instrument and is no longer open to misinterpretation
UK	General	N/A	As the world’s leading multilateral climate fund, it is essential that the GCF be able to demonstrate how the activities it supports <u>contribute directly to achieving the goals of the Paris Agreement.</u>	General	Noted, and the proposed approach has that goal.
UK	General	N/A	The UK supports the GCF’s aim of providing <u>non-prescriptive, principles-based guidance that Accredited Entities can use</u> to support the development of an enhanced climate rationale in proposals for GCF-supported projects and programmes. A principles-	General	Noted

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			based approach, which sets out the range of tools and methods which can be used to develop a project or programmes climate rationale is sensible.		
UK	General	N/A	The principles-based approach is right to emphasise the use of science based approaches utilising climate data to the greatest extent possible <u>whilst recognising that there is significant variation in data availability across contexts</u> . The principles need to provide clarity on what constitutes an acceptable approach to enhancing the climate rationale where data availability is limited.	Data requirements	Clarifications to the text have been proposed to : (i) explicitly recognize the variability in data availability across different countries (ii) be clearer that the appropriate standard should be best available data, on a case-by-case basis, which may come from a variety of sources, and be adapted to data availability, context and capacities for a specific country or region. The intent is that countries which are data poor should not have FPs held up for lacking specific data sources (e.g. local data). Consultations have established that this issue has to be resolved explicitly in a future draft of the paper. The aim of the paper is to remove barriers to accessing GCF funding, especially for LDCs, SIDS and African countries.
Philippines	General	N/A	What is needed, it appears, is clearer guidance on the conceptual moorings/ basis/interpretation of the Climate Rationale. If everybody (eligible developing countries, BM and intermediaries) can agree on the interpretation, starting with a conceptual definition, it would be easier to translate such definition to a more operational form.	Terminology: definitions	Agreed, and as noted in previous comments there may be benefit in discontinuing the use of the "loaded term" of "climate rationale". Consultations indicate that future dialogue would proceed more constructively if the terminology was replaced with (for example) "climate context" which is then understood to be how the proposed activities relate to and seek to address current and projected climate impacts. This is now merely a reminder of the GCF governing instrument and is no longer open to misinterpretation (and could not be construed as a new eligibility criterion).
Philippines	General	N/A	The Enhanced Board Guidance should also be clear about what is acceptable methodology/methodologies on	Detail of methodologies	The consultation process elicited much support for a principles-based, non-prescriptive approach. This is the approach

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			establishing Climate Rationale. Principles-based will not quite cut it as subjective guidance open to interpretation will have as many interpretations as there are applicants.		taken by several other climate funds, and is also aligned with assessment approaches in the adaptation literature. The paper as currently drafted is aiming to capture the high-level principles and it also anticipates a framework of tools, methodologies and data platforms to offer more detailed guidance. These we propose to develop in cooperation with the independent TAP and in wide consultation with stakeholders. As the modified text now makes clear, and particularly the draft decision, the proposal is that this level of detail will be provided by the ongoing development of the online library of supporting materials.
Philippines	General	N/A	The eligible activities should also include a possibility for refining the Climate Rationale even in the course of implementation, as a basis for more “fit for purpose” adaptation measures. This is particularly critical where measures contemplated include infrastructure, relocation of the most vulnerable population in the project area and other cost intensive proposed adaptation interventions. This means that the Climate Rationale refinement process should also be eligible for funding in the main proposal itself.	Detail of methodologies: implementation phase	Noted. This possibility is an important ex post consideration for adaptation. The Secretariat will ensure this is reflected in the proposed suite of resources and examples. Also, such an approach is implicit in many programmatic proposals and the climate context is necessarily delegated to downstream selection criteria. The Secretariat takes note and will ensure consistency between this and other papers to the Board.
Philippines	General	N/A	It must be stressed that as an Operating Entity of the Financial Mechanism of the UNFCCC and its Paris Agreement, the GCF only has to establish the following for providing the support: 1.) the climate hazard and proposed action fit and how this addresses the need of the applicant for funding.	Detail of methodologies	Agreed, and much previous confusion and disagreement has arisen due to the misunderstandings surrounding the terminology, "climate rationale". As consultations have revealed, future dialogue would proceed more constructively if the terminology was replaced with (for example) "climate context" which is then understood to be how the proposed activities relate to and

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					seek to address current and projected climate impacts. This is now merely a reminder of the GCF governing instrument, the articles of UNFCCC, and the Paris Agreement, as well as decision B.05/05. This approach also removes any misinterpretation regarding the introduction of new eligibility criterion.
Philippines	General	N/A	The Philippine proposal, therefore, is to accept the fit between the hazard and the appropriateness of the response action as enough basis for deciding whether the applicant country should be provided support or not. The applicant should only be required to provide a modicum amount of relevant information focusing on the proposed action itself and why it should be supported primarily by the GCF.	Detail of methodologies Data availability	Clarifications to the text have been proposed to : (i) explicitly recognize the variability in data availability across different countries (ii) be clearer that the appropriate standard should be best available data, on a case-by-case basis, which may come from a variety of sources, and be adapted to data availability, context and capacities for a specific country or region. The intent is that countries which are data poor should not have FPs held up for lacking specific data sources (e.g. local data). Consultations have established that this issue has to be resolved explicitly in a future draft of the paper. The aim of the paper is to remove barriers to accessing GCF funding, especially for LDCs, SIDS and African countries.
Philippines	General	N/A	However, it is also high time for the Climate Rationale construct and methodology to be predictable and reproducible and not remanded to open interpretation. Some applicant countries are going into this anyway such as Probabilistic Risk Analysis in the case of the Philippines.	Detail of methodologies	The establishment of clear guiding principles is designed to remove divergent interpretation. It needs to be recognized that even with strong guidelines, individual differences in judgment can be made by reviewers. The development of the supporting framework of tools, methodologies and data platforms in cooperation with the independent TAP, will build consensus, as well as provide a concrete response to decision B.28/03 to "develop a transparent and consistent approach to our assessment of funding proposals". Specific practices, such as probabilistic risk analysis

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					will form part of the non-prescribed, supporting materials.
Philippines	General	N/A	For the moment, while there are a number of assumptions and no fixed required methodology, anyway, only the most minimum requirement should be applied: 1.) a proposed project should be able to address the climate hazard of concern plaguing the proposed project area, in the case of adaptation proposals; and 2.) the greenhouse gas mitigation opportunities, whether in terms of Emissions Avoidance/Displacement or Reduction for climate mitigation proposals.	Detail of methodologies	Agreed. The non-prescriptive approach is chosen to keep tight focus on those high-level requirements, whilst indicating a range of acceptable methodologies that could be used. As indicated, the exact methodologies used will differ depending on whether it is a mitigation or adaptation proposal, the nature of the intervention and the data availability, all on a case by case basis. The aim is for an inclusive approach.
Italy	General	N/A	This policy discussion concerns "climate rationale", one of the very important aspects of updating the Investment Framework, relevant for the definition and harmonization of the analysis criteria for project investments. The Secretariat's proposal has some strengths, however it seems an attempt more oriented towards compromise than ambition.	Detail of methodologies	The consultation process elicited much support for a principles-based, non-prescriptive approach. This is the approach taken by several other climate funds, and is also aligned with assessment approaches in the adaptation literature. The paper as currently drafted is aiming to capture the high-level principles and it also anticipates a framework of tools, methodologies and data platforms to offer more detailed guidance. These we propose to develop in cooperation with the independent TAP and in wide consultation with stakeholders. This evolving library of resources is a novel, and some might think ambitious, solution to provide the clear and consistent guidance needed.
Italy	General	N/A	We particularly welcome the "additionality" and the project alignment to the NDCs. In this regard, a possible solution could be to include a description of how to align with the Long Term Strategies, in order not to untie the projects from the concept of country ownership since several ones actually	NDC / national strategy alignment	Corresponding paragraphs in the revised text have been clarified to note that alignment with NDCs or national long term climate strategies should be considered.

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			have a lifetime longer than the 5-year cycle of NDCs.		
Italy	General	N/A	We appreciate to include the monitoring and assessment systems of the activities, which could be better linked to the transparency framework of the PA.	Impact measurement	Detailed descriptions of monitoring and assessment systems are considered beyond the scope of this paper whose focus is determining the climate impact potential at the proposal stage. The necessity for consistent numerical assumptions with national GHG reporting is already articulated in the revised paper. More detailed descriptions of monitoring and reporting methods, with a range of examples, would form part of the ongoing development of online resources referenced in the decision text.
Italy	General	N/A	We also commend the opportunity to include consolidated tools and approaches, such as those of the TCFD, to encourage greater leveraging of private resources which the Italian Presidency is discussed extensively in the G20. Indeed, several of the considerations for the part relating to the climate rationale of the adaptation must then be connected to the other important policy for updating the Investment Framework, i.e. the Guidance on the approach and scope to provide support for actions of adaptation	General	The Secretariat notes that aspects of the GCF portfolio targets such as the leveraging of private sector finance are beyond the scope of this paper, but notes the interlinkages to other papers such as the private sector strategy and adaptation approach paper

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LDCs	General	N/A	The proposed draft guidance could be a practical reference and starting point for additional work. Nevertheless, there are matters that need more clarity and further consideration.	General	Noted, and the Secretariat welcomes additional dialogue to arrive at an approach that is effective and resolves all issues raised by Board members. Consultations to date have established that a more explicit treatment is needed in the cases where data is limited or unavailable. The aim of the paper is to remove barriers to accessing GCF funding, especially for LDCs, SIDS and African countries. The intent is that countries which are data poor should not have FPs held up for lacking specific data sources (e.g. local data) and that clear guidance exists in these situations.
LDCs	General	N/A	We thank the Secretariat for preparing and sharing the consultation draft “Steps to enhance the climate rationale of GCF-supported activities”. The LDCs supports that GCF proposals should be designed using the best available climate data and science to deliver projects with a high climate impact.	General	Noted, and as the previous comment shows, the Secretariat concurs.
LDCs	General	N/A	As the document reports, since B.23, 52% of all non-endorsements have been (initially) non-endorsed by the iTAP on the grounds of insufficient demonstration of their climate rationale. This is a matter of concern for developing countries and reflects the complexities of applying the notion of climate rationale and assessing climate impact	General	Noted
LDCs	General	N/A	Finally, there should be improved coordination and consistency between the Secretariat and the iTAP in reviewing and assessing funding proposals, as well as in their communication with AEs and NDAs.	General	The Secretariat is consulting with the independent TAP on this paper, and related work to improve the transparency and consistency of FP assessments (pursuant to Decision B.28/03). The development of the supporting framework of tools, methodologies and data platforms in

Country	Section	Text	Board comment	Category	Secretariat Response
					cooperation with the independent TAP, as described in the paper, catalyses and builds consensus, as well as providing a concrete response to decision B.28/03 to "develop a transparent and consistent approach to our assessment of funding proposals".
Japan	Paragraph 11	Since B.23, 11 out of 21 funding proposals (52% of all non-endorsements) were initially non-endorsed by the independent TAP on the grounds of insufficient demonstration of their climate rationale (and others were unable to proceed to independent TAP review because of similar issues).	<p>Paragraph 11 describes numbers of funding proposals non-endorsed by iTAP on the grounds of insufficient climate rationale. We would like to request the Secretariat that number of FPs for adaptation actions non-endorsed by iTAP be also mentioned in this paragraph.</p> <p>While the draft document implicitly indicates that the FPs should have been endorsed by iTAP if they could had clearly demonstrated their climate rationale, but we see it rather questionable as there may have been some other reasons for non-endorsement of the proposals.</p>	ITAP	The statistics in the corresponding paragraph of the revised text have now been amended to include the breakdown by adaptation and mitigation. Regarding the second part of the comment, whilst it is acknowledged that non-endorsement will often be on the basis of a combination of factors, the purpose of this paragraph is simply to highlight the benefits of the clear and consistent guidance that is being developed, rather than to forensically examine the reasons for non-endorsements.
NZ/Ireland/ Spain	Paragraph 13	Furthermore, adaptation proposals need to show that the proposed activities are unequivocally a response to a climate change problem (hazard), and are appropriately designed to respond to that hazard.	We agree that addressing CC hazards should always be central to a GCF proposal. However, many countries take a multi-hazard approach, covering both climate change and non-climate change hazards (e.g. in the Pacific). We would want to make sure an activity that includes both CC-hazards and non-CC-hazards in an efficient way wouldn't be declined (or need the non-CC-hazards removed to make it eligible).	Inclusion of hazards and risks that span multiple timescales and drivers	Noted. As the modified text now makes clear, and particularly the draft decision, the proposal is that this level of detail will be provided by the ongoing development of an online library of supporting materials. This specific comment would be addressed therein. Nothing in the proposed guidance would act to exclude climate actions that provided benefits over multiple time scales and multiple hazards.

Country	Section	Text	Board comment	Category	Secretariat Response
NZ/Ireland/ Spain	Paragraph 15	IEU evaluation and Secretariat review of the portfolio has shown that for adaptation, proposals often fail to provide a clear and convincing climate science basis. The main areas of concern identified are (i) data availability; (ii) lack of clear articulation of the climate relevance of the proposed action; and (iii) lack of clear articulation of the risk to vulnerable groups.	Data availability can be a problem for many developing countries especially SIDS. Is there a way the data presented in proposals can be assessed as 'good enough', based on what's generally available in the location. Countries should not be penalized because they are data-poor. Is there any attention to differentiate data requirements based on size of the FP? E.g. SAPS not required to show the same level of data as very large projects?	Data requirements	Clarifications to the text have been proposed to : (i) explicitly recognize the variability in data availability across different countries (ii) be clearer that the appropriate standard should be best available data, on a case-by-case basis, which may come from a variety of sources, and be adapted to data availability, context and capacities for a specific country or region. The intent is that countries which are data poor should not have FPs held up for lacking specific data sources (e.g. local data). Consultations have established that this issue has to be resolved explicitly in a future draft of the paper. The aim of the paper is to remove barriers to accessing GCF funding, especially for LDCs, SIDS and African countries.
LDCs	Paragraph 15	IEU evaluation and Secretariat review of the portfolio has shown that for adaptation, proposals often fail to provide a clear and convincing climate science basis. The main areas of concern identified are (i) data availability;	As the document acknowledges, one of the main areas of concern for adaptation proposals, identified by the IEU and the Secretariat, is "data availability". In our view, the general guidance provided in this document is not expressly addressing this issue.	Data requirements	Clarifications to the text have been proposed to : (i) explicitly recognize the variability in data availability across different countries (ii) be clearer that the appropriate standard should be best available data, on a case-by-case basis, which may come from a variety of sources, and be adapted to data availability, context and capacities for a specific country or region. The intent is that countries which are data poor should not have FPs held up for lacking specific data sources (e.g. local data). Consultations have established that this issue has to be resolved explicitly in a future draft of the paper. The aim of the paper is to remove barriers to accessing GCF funding, especially for LDCs, SIDS and African countries.

Country	Section	Text	Board comment	Category	Secretariat Response
Italy	Paragraph 24	Firstly, confirm the alignment of the proposed activities with the NDCs. As the GCF is an operating entity of the financial mechanism of the Paris Agreement, it is crucial when establishing the climate rationale for mitigation activities to confirm that the GCF-funded activity is aligned with the NDCs of the country. This also guarantees that country ownership is integrated in the climate rationale of GCF-funded activities.	In the case where the project-proposed lifetime goes beyond the 5-years NDC cycle, it would be preferable to consider a progressive assessment/estimation of the project impact to the achievement of the temperature mitigation goal of the PA (art. 2.1a) in the context of the Country strategy to provide its contribution to meet the 1.5°C/well below 2°C global target. In particular, it would be helpful to have also an assessment of how the climate rationale of a proposed activity is aligned with the Long Term Strategy submitted by a Country as of Art. 4.19 of the Paris Agreement.	NDC / national strategy alignment	The text has been clarified in the corresponding paragraphs of the published paper to note that alignment with either NDCs or Long Term climate strategies should be considered. The Secretariat notes that undertaking a specific, quantitative assessment of the impact of a funding proposal with reference to the PA long term mitigation goal and/or country's Long Term Strategy is currently beyond the scope of the GCF investment process. These matters touch on country-level and UNFCCC/PA-level reporting.
Japan	Paragraph 24 & 36	(24) Firstly, confirm the alignment of the proposed activities with the NDCs... (36) Lastly, the proposal should confirm the alignment of the proposed adaptation activities with the participating countries' national plans, including their NDSs.	Paragraph 24 and 36 says funding proposals are supposed to demonstrate the alignment with the NDCs. However, NDCs are not timely updated in some cases. In such cases, we would like to propose that the climate rationale be assessed not only by alignment with the updated NDCs but also by more flexible manner, for example consulting with NDAs about the latest government's policies/ plans before their submission of FPs to the Secretariat.	NDC / national strategy alignment	The text in the corresponding paragraphs of the revised paper has been clarified to note that alignment with either NDCs or national long term climate strategies should be considered.

Country	Section	Text	Board comment	Category	Secretariat Response
ROK	Paragraph 26	The GCF does not prescribe any specific methodologies, but strongly encourages AEs to utilize, whenever possible, the multitude of tools and methodologies developed over the past 20 years for quantification and monitoring of mitigation impact.	Considering several parts of the document, however, it would be helpful if the Secretariat provides additional explanations. For instance, 1) what are specific examples of tools and methodologies mentioned? 2) How AEs can access suggested tools and methodologies for quantification? Are there any guidelines or platforms given to AEs that provide tools and methodologies?	Detail of methodologies	The consultation process elicited much support for a principles-based, non-prescriptive approach. This is the approach taken by several other climate funds, and is also aligned with assessment approaches in the adaptation literature. The paper as currently drafted is aiming to capture the high-level principles and it also anticipates a framework of tools, methodologies and data platforms to offer more detailed guidance. These we propose to develop in cooperation with the independent TAP and in wide consultation with stakeholders. As the modified text now makes clear, and particularly the draft decision, the proposal is that this level of detail will be provided by the ongoing development of the online library of supporting materials.
Italy	Paragraph 28	The final step involves the establishment of a monitoring and reporting system for the mitigation impact of the proposed activity. This will facilitate the assessment, during implementation, of whether the funded activity generated the projected mitigation impact.	The monitoring and reporting system of a proposed activity should provide an explanation as to how it will be linked with national GHG inventories and other climate monitoring, reporting and verification frameworks established by the beneficiaries. Country ownership implies a key role for the NDA to coordinate the contribution of the various GCF-funded mitigation activities in a country to track of progress towards achieving Parties' individual NDCs and other national climate change strategies.	Impact measurement	This paragraph has been removed from the published draft since detailed descriptions of monitoring and assessment systems are considered beyond the scope of this paper and are chronologically beyond the scope of determining the climate impact potential at the proposal stage. The necessity for consistent numerical assumptions with national GHG reporting is already articulated in the paper. More detailed descriptions of monitoring and reporting methods, with a range of examples, would form part of the ongoing development of online resources referenced in the decision text.

Country	Section	Text	Board comment	Category	Secretariat Response
Philippines	Paragraph 29	Establishing a climate rationale for adaptation activities involves showing that the proposed intervention is a valid and effective response to the threat of an ongoing and/or projected climate change hazard	This is probably where clarity is needed, in operational descriptions, i.e. what is meant by valid and effective response?	Textual clarification	The modified text in the corresponding paragraph clarifies this issue
Japan	Paragraph 29-36	Section V	Paragraph 29-36 describes key steps to establish the climate rationale for adaptation proposals. We would like to see examples of other institutions such as MDBs and UN organizations, including UNDP in their determination of climate rationale. Based on other institutions' approaches and methodologies, more objective analysis should be made in developing key steps to demonstrate the climate rationale for adaptations proposals.	Detail of methodologies: benchmarks	The consultation process elicited much support for a principles-based, non-prescriptive approach. This is the approach taken by several other climate funds, and is also aligned with assessment approaches in the adaptation literature. The paper as currently drafted is aiming to capture the high-level principles and it also anticipates a framework of tools, methodologies and data platforms to offer more detailed guidance. The paper currently does not contain a comparative analysis of the guidance from other funds and agencies, but the Secretariat would be happy to add such information in any further development of the draft.
NZ/Ireland/Spain	Paragraph 31	This would normally be based on a detailed literature review (or alternatively a previous feasibility study that has conducted such a review).	As above, what standard is required with regard to the literature review / data requirements? If there is poor literature/data availability, this requirement difficult to achieve. How can we be assured that the lack of data will be taken into account when assessing FPs?	Data requirements	Following consultations, there is recognition that the paper needs to be explicit that the appropriate standard should be best available data, on a case-by-case basis, which may come from a variety of sources, and be adapted to data availability, context and capacities for a specific country or region. The intent is that countries which are data poor should not have FPs held up for lacking specific data sources (e.g. local data). The aim of the paper is to remove barriers to accessing GCF funding, especially for LDCs, SIDS and African countries.

Country	Section	Text	Board comment	Category	Secretariat Response
NZ/Ireland/ Spain	Paragraph 32	Secondly, adaptation proposals are expected to show how climate change has led to the specific impacts for which adaptation is considered necessary or how future projections of climate change will lead to those impacts. This requires a detailed scientific analysis and the use of appropriate scientific tools, data and platforms to present an assessment of how climate is affecting or will affect the country or region.	Again, a country's / AE ability to demonstrate this depends on how much detail is required here. In a broad sense (e.g. regional-level or national level) data might generally be able to be obtained. But there will be limitations – for instance historical data can be limited, projected future changes tend to be a regional/sub-regional level, and records on non-climatic factors are likely to be limited. Addressing data gaps is very expensive and will take time. We expect the GCF to apply their 'principles-based' approach, and tailor expectations of data quality to the local conditions. Expectations need to be tailored to availability in a specific location.	Data requirements	Agreed, and see previous response
LDCs	Paragraph 32 & 33	(32) This requires a detailed scientific analysis and the use of appropriate scientific tools, data and platforms to present an assessment of how climate is affecting or will affect the country or region. (33) Furthermore, the combination of data needed for adaptation proposals will be specific to the context of the proposal, the nature of the proposed intervention, and the country capacity.	The approach towards climate rationale should allow for a case-by-case assessment, considering the circumstances and capacities of the countries and the specific projects. Paragraphs 32 and 33 of the draft guidance already contain elements that could be further refined for better clarity: make use of the best available data, use context specific data, and consider countries' capacities.	Data requirements	Clarifications to the text have been proposed to : (i) explicitly recognize the variability in data availability across different countries (ii) be clearer that the appropriate standard should be best available data, on a case-by-case basis, which may come from a variety of sources, and be adapted to data availability, context and capacities for a specific country or region. The intent is that countries which are data poor should not have FPs held up for lacking specific data sources (e.g. local data). Consultations have established that this issue has to be resolved explicitly in a future draft of the paper. The aim of the paper is to remove barriers to accessing GCF funding, especially for LDCs, SIDS and African countries.

Country	Section	Text	Board comment	Category	Secretariat Response
NZ/Ireland/ Spain	Paragraph 33	A wide range of community tools and information platforms exist to assist in the retrieval and analysis of suitable observational data, gridded global datasets, atmospheric reanalyses, and IPCC climate model projections.	These (tools, platforms, methods etc) are generally available but data tends to be at quite high-level when it comes to SIDS. What degree of downscaling to provide local data will be required? Cost effectiveness, scalability and sustainability aspects can be difficult and to achieve in a SIDS context. Costs are high relative to the numbers of beneficiaries / impacts achieved. Scale needs to be considered relative to the local situation.	Data requirements	Noted and agreed. As is noted in several places now in the paper, the data requirements for projects need to be context specific and based on the best data available recognising the significant differences in data availability and capacities. The diverse measures of support referenced in section VI of the paper include specific tools (e.g. country profiles and data information platforms) that are provided with SIDS in mind and to assist AEs and DAEs in particular with guidance to the downscaling issue.
ROK	Paragraph 33	A wide range of community tools and information platforms exist to assist in the retrieval and analysis of suitable observational data, gridded global datasets, atmospheric reanalyses, and IPCC climate model projections	3) I kindly ask to provide examples of tools and platforms mentioned in the document.	Detail of methodologies	The Secretariat envisages that further reference materials such as examples of tools, methodologies, guidelines etc. would be compiled in an accessible format (e.g. on the GCF website) for stakeholders' reference. The development of the supporting framework of tools, methodologies and data platforms in cooperation with the independent TAP, as described in the paper, catalyses and builds consensus, as well as providing a concrete response to decision B.28/03 to "develop a transparent and consistent approach to our assessment of funding proposals".
NZ/Ireland/ Spain	Paragraph 34	The third step is to describe how the climate change problem translates to risk – to a particular sector, or section of the population - by examining the vulnerability of that sector or group to the specific climate hazard.	While tools exists to do this work, the cost of getting these done for a specific proposal are high and are time-consuming.	Detail of methodologies	In line with a non-prescriptive approach, links and examples for a range of vulnerability assessment tools would be provided as part of the development of online resources referenced in the decision text. And, as is noted in several place in the paper, data and analysis requirements should always be context specific and should recognise the significant differences in data availability and capacities.

Country	Section	Text	Board comment	Category	Secretariat Response
Philippines	Paragraph 34	The third step is to describe how the climate change problem translates to risk – to a particular sector, or section of the population - by examining the vulnerability of that sector or group to the specific climate hazard	When risk analysis is done, the risk quantification already indicates probability of damages which already takes into consideration the vulnerability of the potentially affected elements-- people, socioeconomic systems, natural systems supporting the potentially affected population.	Detail of methodologies	Noted.
Philippines	Paragraph 36	Lastly, the proposal should confirm the alignment of the proposed adaptation activities with the participating countries' national plans, including their NDSs	At this time, NDCs are mitigation centric. Adaptation Communications should also be a basis. However, what if these documents are not yet available or do not contain data and information that would justify what is being requested in terms of support? Will this render these proposals ineligible for funding?	NDC / national strategy alignment	Clarification has been added to the published paper to recognize adaptation communications and NAPs - the text already acknowledges "countries national plans" in general terms. These documents are not a condition to eligibility for funding, but are highly relevant along with other information about national climate priorities to establish both climate impact potential and country ownership.
Italy	Paragraph 36	Lastly, the proposal should confirm the alignment of the proposed adaptation activities with the participating countries' national plans, including their NDSs.	See comment above [Comment on para. 24], with regard to the importance to refer gradually to alignment of proposed adaptation activities to the various Countries's Long Term Strategies expected to be submitted as of Art. 4.19 of the PA.	NDC / national strategy alignment	Clarification has been added to the corresponding paragraph in the published paper to recognize adaptation communications, NAPs and long term strategies.

Country	Section	Text	Board comment	Category	Secretariat Response
Japan	Paragraph 36 (25, 29)	(36) The proposal should also clearly demonstrate the additionality of the funded activity; demonstrating additionality is considered an indispensable element of the climate rationale for any project or programme. An activity is considered additional if it can be demonstrated that the benefits to identified beneficiaries would not occur in the absence of the GCF funding.	<p>Additionality is certainly important element for climate rationale. The draft document indicates that an activity may be considered additional if it can clearly demonstrate that the expected outcomes would not occur in the absence of the GCF funding. Regarding this point, more specifically speaking, if it is clearly demonstrated what kind of benefits and advantage in support of climate actions the FP will gain by implementing it with GCF funding (in comparison to other funding), we consider that the FP has climate rationale.</p> <p>While in paragraph 36 additionality is described in the same paragraph as alignment with NDCs, we consider it better if they be described in different paragraphs like chapter IV for mitigation actions.</p>	Detail of methodologies	The first part of this comment is noted. Regarding the second part of the comment, in the published paper the two sentences concerning alignment and additionality have been separated.
Italy	Paragraph 41	The resources will include a voluntary portal for AEs and Secretariat to share approaches used to overcome problems in developing the climate rationale	With regard to methodologies and tools available for ensuring the consideration of current and future climate risks, we recall the FSB Task Force on Climate-related Financial Disclosure (TCFD) framework and guidance. This can be particularly helpful to have a shared and advanced framework to help the implementation of the private sectors' identification and disclosure of climate-related financial risks in investment. This can support leveraging private sector finance for adaptation in line with the GCF strategic objectives agreed under the 2020-2023 USP.	Detail of methodologies	The Secretariat envisages that further reference materials such as examples of tools, methodologies, guidelines etc. would be compiled in an accessible format (e.g. on the GCF website) for stakeholders' reference. We take note of the materials from the TCFD.

Country	Section	Text	Board comment	Category	Secretariat Response
LDCs	Paragraph 44	Working together with the independent TAP, the Secretariat will produce advisory notes on an ad hoc basis in response to any specific climate science issues encountered by AEs in the proposal review cycle	On developing further guidance, paragraph 44 mentions that the Secretariat and iTAP will produce “advisory notes” as needed. The scope and status of this notes need further explanation. Also, LDCs believe that formal guidance on this matter should be considered by the Board	Detail of methodologies	It is envisaged that technical advice (as referred to in the published text) would be produced on an ad hoc basis to resolve highly technical issues leading to differences of expert opinion concerning climate impact potential, primarily around climate science (although other technical matters may arise). An example might be the choice of a suitable regional climate model and what degree of certainty to assign its projections for a particular region. Another example would be the appropriate (and inappropriate) use of global gridded datasets (e.g. for rainfall). The intention is twofold: (1) to stimulate a dialogue between technical specialists in the Secretariat and the independent TAP leading to (2) unambiguous and consistent advice to AEs in their preparation of proposals. The Secretariat would welcome any discussion around modalities for disseminating the technical advice
ROK	Paragraph 49	The Secretariat will providewithin five years from the date of presentation of the paper to the Board .	4) I warmly ask to specify the date. When will be the date of presentation of the paper to the Board?	General	Clarifications have been added to make clear the "start" date will be the time at which the Board concludes its consideration of this paper

Country	Section	Text	Board comment	Category	Secretariat Response
LDCs	Annex I (c) & (d)	(c) Requests the Secretariat and the independent Technical Advisory Panel to follow the approach articulated in the document to establish and implement guidance, supported by an online network of resources, that will ensure a transparent and consistent approach to the assessment of funding proposals; (d) Requests the Secretariat to develop and use the guidance to support AEs, and especially DAEs, in building capacity to enhance the climate rationale of proposals for funding, and to take into account their feedback for future refinement of the guidance.	Paragraphs (c) and (d) in the draft decision text (Annex I) needs more clarity. Is the Secretariat and iTAP jointly or independently developing guidance? Would this be a new mandate for iTAP to develop guidance? Is this guidance being proposed to be considered by the Board?	Decision text	In the published draft, the decision text has been modified to clarify that (c) relates to the prior Board mandate (Decision B.28/03 para (b)) for the Sec and iTAP to develop a transparent and consistent approach to their assessment of funding proposals. Para (d) then refers to the Secretariat engaging with AEs/DAEs to support their use of the guidance referred to in (c). The reasoning behind the decision text as worded is to give momentum to the development of the supporting framework of tools, methodologies and data platforms in close cooperation with the TAP. This provides explicit instructions for the Secretariat and the TAP to collaborate on these materials, – reinforcing the request of B.28/03. The decision would also provide new mandate to provide structured, proactive and effective capacity support in using any guidance.